

ABSTRACT OF THE DISCLOSURE

A compact banknote dispensing device including a storage section for storing one or more banknotes, a discharging unit driven by a first motor for discharging banknotes one-by-one at a first speed, and a transporting unit driven by a second motor for receiving the discharged banknotes from the discharging unit and transporting the discharged banknotes at a second speed where the second speed is faster than the first speed, the one-way clutch permitting the discharged banknote to be continuously drawn at the second speed without damaging the discharged banknote. The compact banknote dispensing device includes a length sensor disposed about a U-shaped guiding unit and connected to a control unit. The control unit determines whether the transported banknote is acceptable for dispensing and is transported properly. The compact banknote dispensing device turns off the motors in an error condition and sounds an audible alarm.